

# First Quarter Financial Results Presentation for the 2007 Fiscal Year

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May 16, 2007

GMO Internet Inc.

(TSE First Section: 9449)

◆ Supplementary Materials ◆



Internet for Everyone

<http://www.gmo.jp/>

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1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

# 1. GMO Internet Group

TSE Stock Code: 9449



# FY2007 1st Quarter Financial Statement – Scope of Consolidation

1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

Business Segment	2006 Fiscal Year 4 <sup>th</sup> Quarter		2007 Fiscal Year 1 <sup>st</sup> Quarter		Notes
	Company Name	Proportion of Voting Rights (%)	Company Name	Proportion of Voting Rights (%)	
Internet Use Support (Infrastructure)	GMO Internet Inc.	Parent Company	GMO Internet Inc.	Parent Company	New Name
	GMO Hosting & Security Inc.	63.2	GMO Hosting & Security Inc.	63.2	
	Certification Services Ltd. (England)	(100.0)	Global Sign Ltd. (England)	(100.0)	
	GlobalSign NV (Belgium)	(100.0)	GlobalSign NV (Belgium)	(100.0)	
	GeoTrust Japan Inc.	(88.2)	GeoTrust Japan Inc.	(88.2)	
	Grandsphere Co. Ltd.	92.5	Grandsphere Co. Ltd.	92.5	
	Hosting & Security INC. (US)	(51.2)	Hosting & Security INC. (US)	(51.2)	
	INTERNET Number Corporation	69.6	INTERNET Number Corporation	69.6	
	paperboy & co.	59.6	paperboy & co.	59.6	
	GMO Payment Gateway Inc.	52.3	GMO Payment Gateway Inc.	52.3	
	@YMC Corporation	(100.0)	@YMC Corporation	(100.0)	
	GMO Blog Inc.	(100.0)	GSS Corporation	(100.0)	
	MakeShop Inc.	58.7	MakeShop Inc.	58.7	
	Epsilon Inc.	(100.0)	Epsilon Inc.	(100.0)	
Mighty Server Inc.	(100.0)	Mighty Server Inc.	(100.0)		
		GMO Solution Partner Inc.	76.0	New	
		Global Web Co. Ltd.	70.0	New	
Internet Advertising Support (Media)	Magclick Inc.	43.0	Magclick Inc.	43.0	
	GMO Research Inc.	78.2	GMO Research Inc.	78.2	
	GMO Media Holdings Inc.	100.0	GMO Media Holdings Inc.	100.0	
	GMO Media Inc.	(81.6)	GMO Media Inc.	(81.6)	
	NETCLUE Co. Ltd. (Korea)	(100.0)	NETCLUE Co. Ltd. (Korea)	(100.0)	
	GMO San Planning Inc.	(75.6)	GMO San Planning Inc.	(90.0)	
	Tea Cup Communication Ltd.	51.0	Tea Cup Communication Ltd.	51.0	
	JWord Inc.	62.7	JWord Inc.	62.7	
	GMO Ad Networks Inc.	(100.0)	GMO Ad Networks Inc.	(100.0)	
	GMO Games Inc.	100.0	GMO Games Inc.	100.0	
BOM Inc.	100.0	BOM Inc.	100.0		
Internet Finance	GMO NetCard Inc.	91.1	GMO LOAN-CREDIT HOLDINGS Inc.	91.1	New
	MIKI-SHOJI Inc.	(100.0)	GMO NetCard Inc.	(100.0)	
	Jaxon Finance Inc.	(100.0)	MIKI-SHOJI Inc.	(100.0)	
	Just Inc. (and 12 other companies)	(100.0)	Jaxon Finance Inc.	(100.0)	
	GMO Internet Securities Inc.	89.1	Just Inc. (and 13 other companies)	(100.0)	
	GMO Venture Partners Inc.	100.0	GMO Internet Securities Inc.	90.2	
	GMO Venture Partners Investment Limited Partnership	(31.7)	GMO Venture Partners Inc.	100.0	
	Blog Business Fund Investment Limited Partnership	(9.9)	GMO Venture Partners Investment Limited Partnership	(31.7)	
		Blog Business Fund Investment Limited Partnership	(9.9)		

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## Sales Breakdown Under New Business Classification

1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

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Business	2006/1Q	2006/2Q	2006/3Q	2006/4Q	2007/1Q
<b>◆ Internet Use Support (Infrastructure) ◆</b>					
Provider (ISP)	633	595	560	536	521
Domain Registration	457	502	497	437	541
Web Hosting	1,872	1,956	1,984	2,043	2,049
Web Development & E-commerce Solutions	376	343	562	638	733
Security	108	101	147	216	288
Credit Card Payment Processing	384	404	423	450	497
Other	194	95	190	145	132
<b>Segment Total</b>	<b>4,027</b>	<b>3,998</b>	<b>4,366</b>	<b>4,467</b>	<b>4,764</b>
<b>◆ Internet Advertising Support (Media) ◆</b>					
Internet Media & Search Media	1,276	1,324	1,336	1,521	1,694
Internet Advertising Agency	1,837	1,388	1,438	1,764	1,583
Other	274	294	330	331	279
Adjustment for Transaction Between Segments	-146	-232	-219	-229	-131
<b>Segment Total</b>	<b>3,243</b>	<b>2,775</b>	<b>2,886</b>	<b>3,387</b>	<b>3,426</b>
<b>◆ Internet Finance ◆</b>					
Loans and Credit	4,506	4,631	5,674	7,077	6,707
Internet Securities	-	2	66	132	246
Other	-	-	-	10	4
<b>Segment Total</b>	<b>4,506</b>	<b>4,633</b>	<b>5,741</b>	<b>7,220</b>	<b>6,957</b>
Adjustment for Transaction Between Segments	-63	-78	-97	-174	-88
<b>Consolidated Sales</b>	<b>11,713</b>	<b>11,329</b>	<b>12,897</b>	<b>14,901</b>	<b>15,059</b>

(¥millions)

TSE Stock Code: 9449



## Sales Breakdown Under Previous Business Classification

1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

Business	2006/1Q	2006/2Q	2006/3Q	2006/4Q	2007/1Q
<b>◆ Internet Use Support (Infrastructure) ◆</b>					
Provider (ISP)	633	595	560	536	521
Domain Registration	457	502	497	437	541
Web Hosting	1,872	1,956	1,984	2,043	2,049
Web Site Construction	268	214	300	321	451
Security	108	101	147	216	288
Credit Card Payment Processing	384	404	423	450	497
E-Commerce Support	107	128	262	317	282
Corporate Communications	99	77	104	53	51
Other	94	18	86	91	81
<b>Segment Total</b>	<b>4,027</b>	<b>3,998</b>	<b>4,366</b>	<b>4,467</b>	<b>4,764</b>
<b>◆ Internet Advertising Support (Media) ◆</b>					
Internet Media Construction	442	420	443	601	697
Internet Advertising Support	1,837	1,388	1,438	1,764	1,583
JWord	834	904	893	919	997
Online Games	192	227	237	214	135
Other	82	66	93	116	143
<b>Adjustment for Internal Transactions</b>	<b>-146</b>	<b>-232</b>	<b>-219</b>	<b>-229</b>	<b>-131</b>
<b>Segment Total</b>	<b>3,243</b>	<b>2,775</b>	<b>2,886</b>	<b>3,387</b>	<b>3,426</b>
<b>◆ Internet Finance ◆</b>					
Internet Finance	4,506	4,633	5,741	7,220	6,957
<b>Segment Total</b>	<b>4,506</b>	<b>4,633</b>	<b>5,741</b>	<b>7,220</b>	<b>6,957</b>
<b>Adjustment for Internal Transactions</b>	<b>-63</b>	<b>-78</b>	<b>-97</b>	<b>-174</b>	<b>-88</b>
<b>Consolidated Sales</b>	<b>11,713</b>	<b>11,329</b>	<b>12,897</b>	<b>14,901</b>	<b>15,059</b>

(¥millions)

TSE Stock Code: 9449



# Changes in Costs and Cost Composition (Consolidated)

1. GMO Internet Group

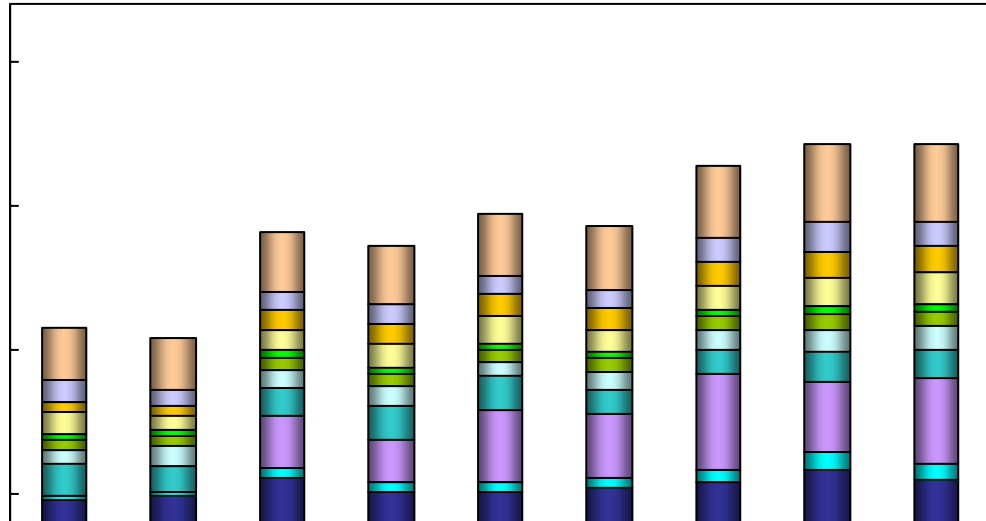
2. Internet Infrastructure

3. Internet Media

4. Internet Finance

(¥millions)

16,000  
11,000  
6,000  
1,000  
-4,000



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q
Business Expenses + SGA Total	6,743	6,438	10,077	9,620	10,732	10,301	12,360	13,176	13,116
Human Resource Costs	1,819	1,827	2,060	2,019	2,138	2,245	2,441	2,753	2,700
Advertising and Promotion Costs	708	540	642	688	666	620	897	1,049	802
Depreciation and Rental Costs	386	379	698	710	731	753	821	910	916
Outsourcing and Subcontracting Expenses	767	437	696	839	977	768	792	935	1,107
Communication Costs	222	206	234	213	211	221	239	297	254
Rent	305	386	428	421	400	431	465	514	508
Commission Paid	464	657	655	653	541	626	706	780	806
Media Costs	1,113	942	944	1,222	1,180	827	849	1,054	966
Financial Expense/Bad Debt Costs			1,839	1,452	2,474	2,283	3,283	2,431	3,020
Amorization of Consolidated Adjustments Account	154	137	338	326	333	333	414	630	545
Other	802	922	1,539	1,071	1,076	1,190	1,447	1,819	1,487

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# No. of Employees, Sales/Ordinary Profit per Employee (Consolidated)

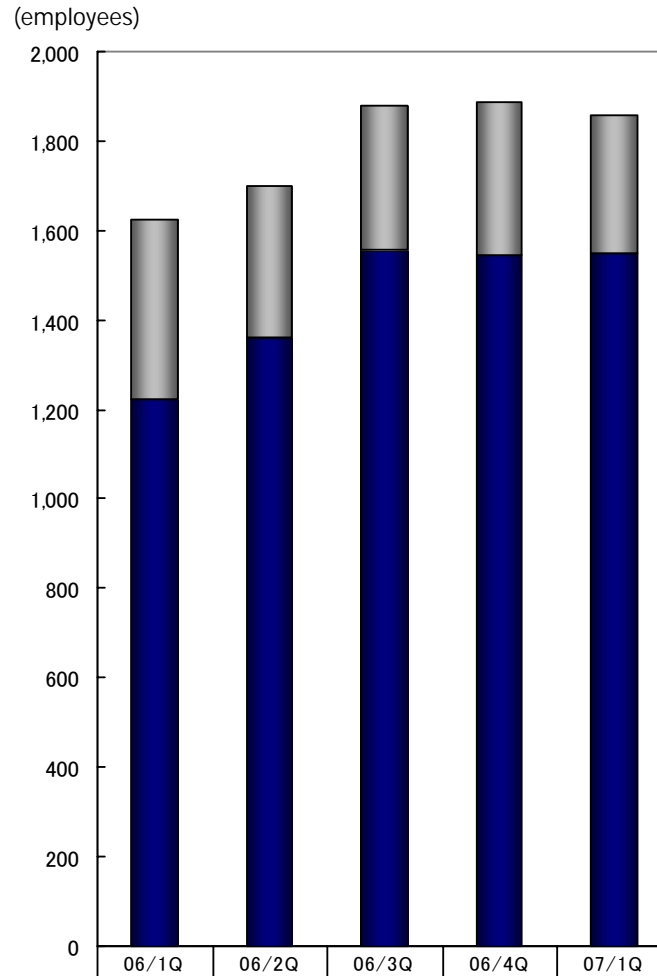
1. GMO Internet Group

2. Internet Infrastructure

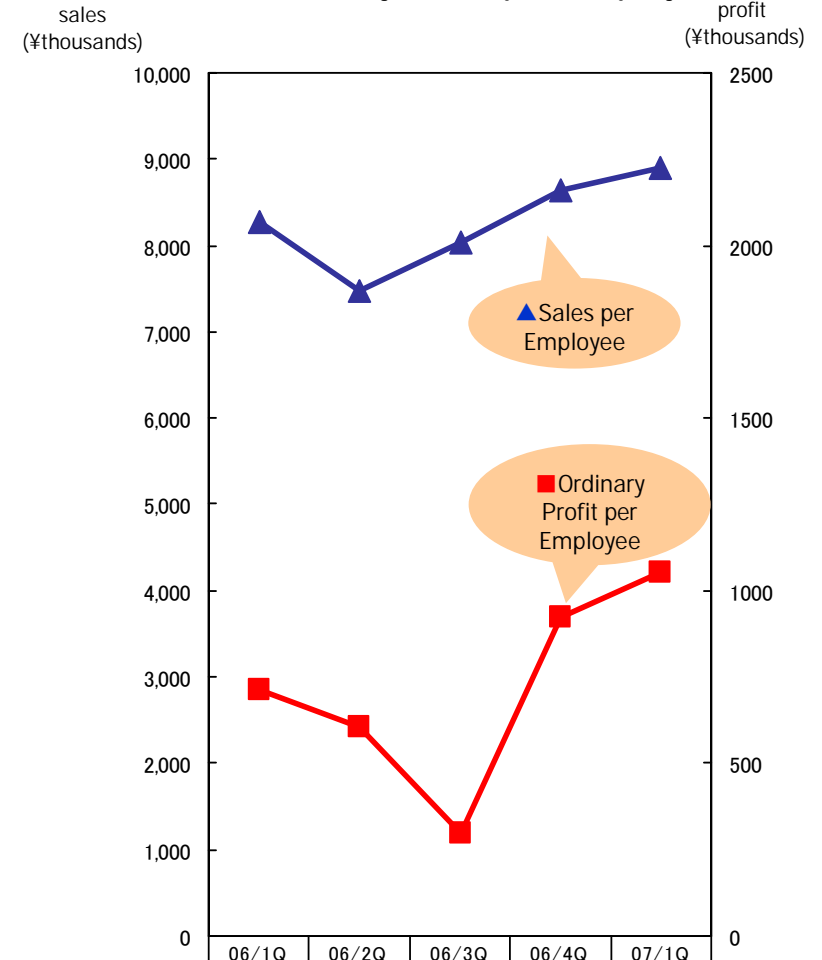
3. Internet Media

4. Internet Finance

### Number of Employees



### Sales and Ordinary Profit per Employee



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\*Average Number of Employees: Full-time employees are counted as 1 and part-time employees are counted as 0.5.

\*No. of Employees represents the figure at the end of each period.

# Toku Toku Point (Common ID)

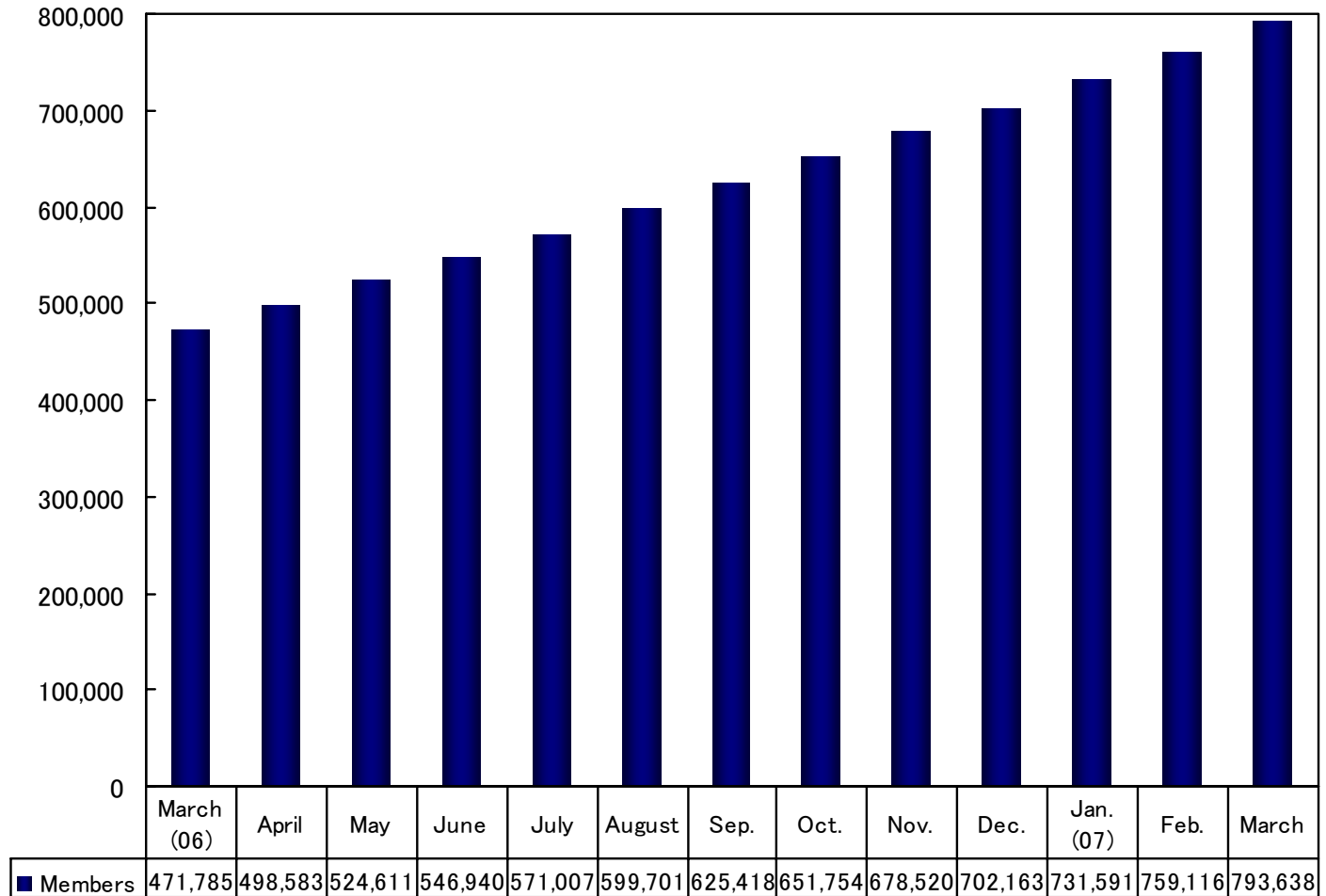
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## Common ID Active Registrations



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1. GMO Internet Group

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3. Internet Media

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## 2. Internet Use Support (Infrastructure)

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# Provider (ISP) Business

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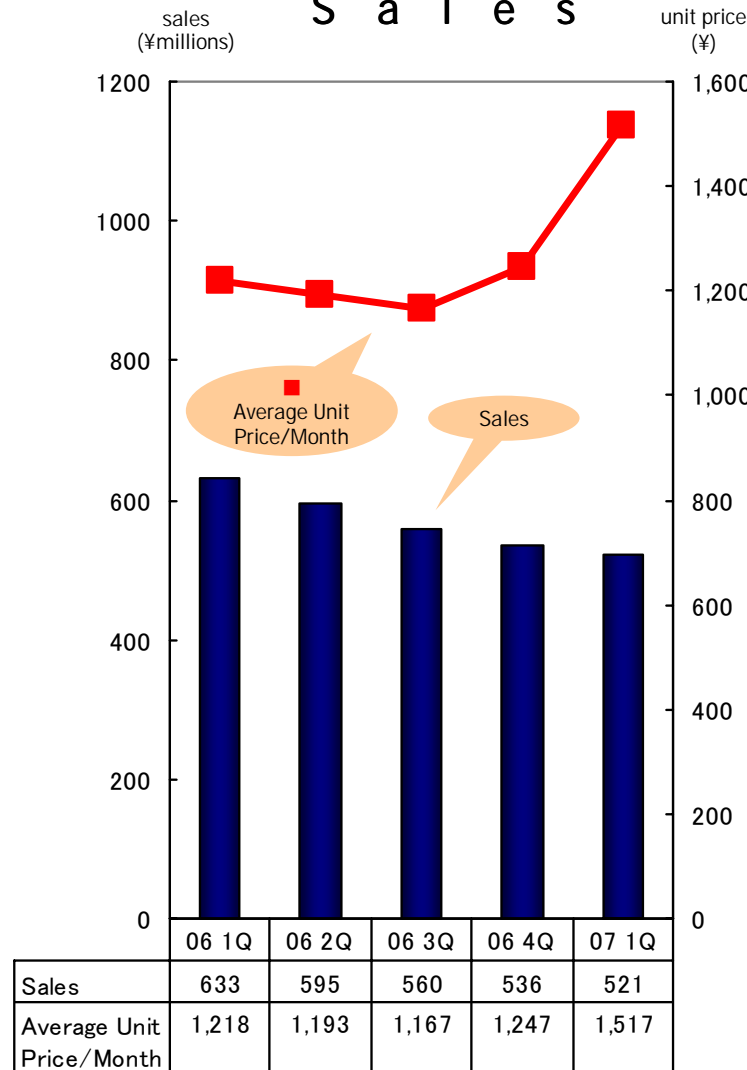
3. Internet Media

4. Internet Finance

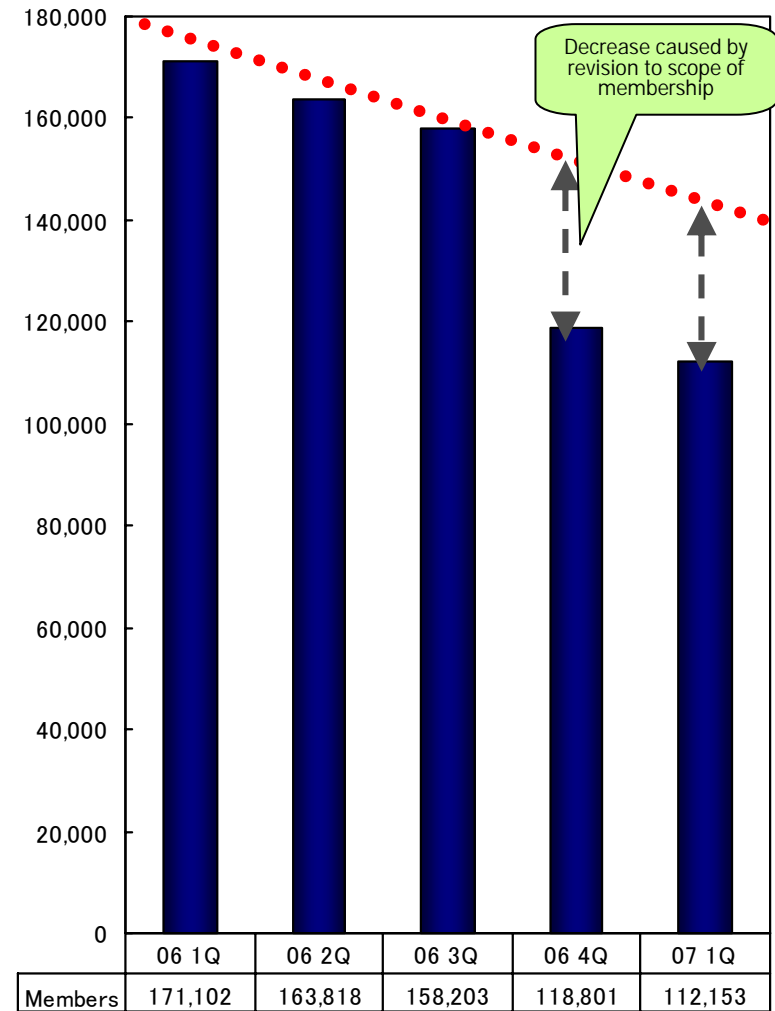
TSE Stock Code: 9449



## S a l e s



## M e m b e r s



# Domain Registration

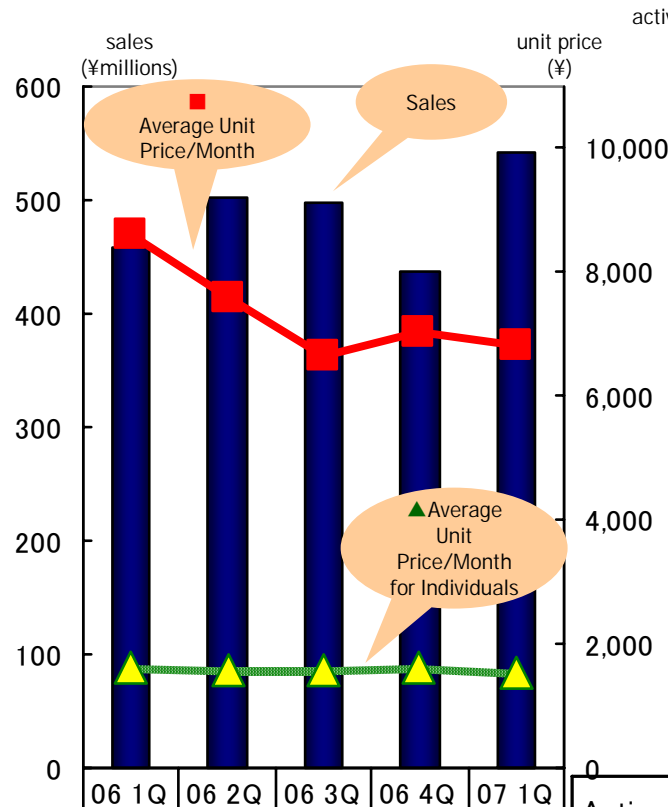
1. GMO Internet Group

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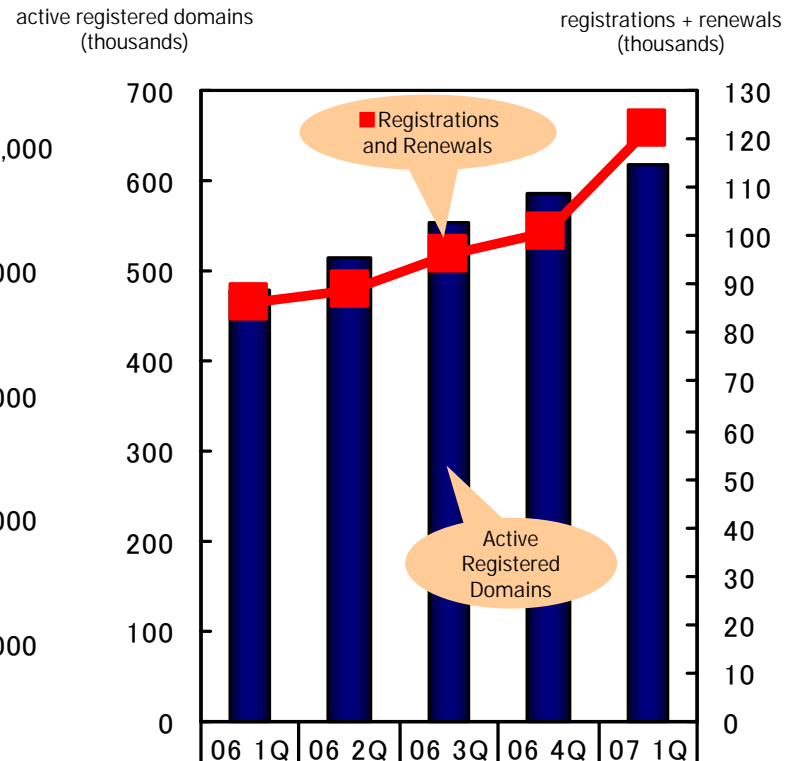
4. Internet Finance

## Sales



Sales	457	502	497	437	541
Average Unit Price/Month	8,627	7,578	6,667	7,038	6,814
Average Unit Price/Month for Individuals	1,611	1,561	1,586	1,605	1,540

## Domain Registrations



Active Registered Domains	480	516	554	585	618
Registrations + Renewals	86	89	96	101	122
*Registrations Cumulative Total	752	798	848	899	954

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# New Domains and Domain Renewals

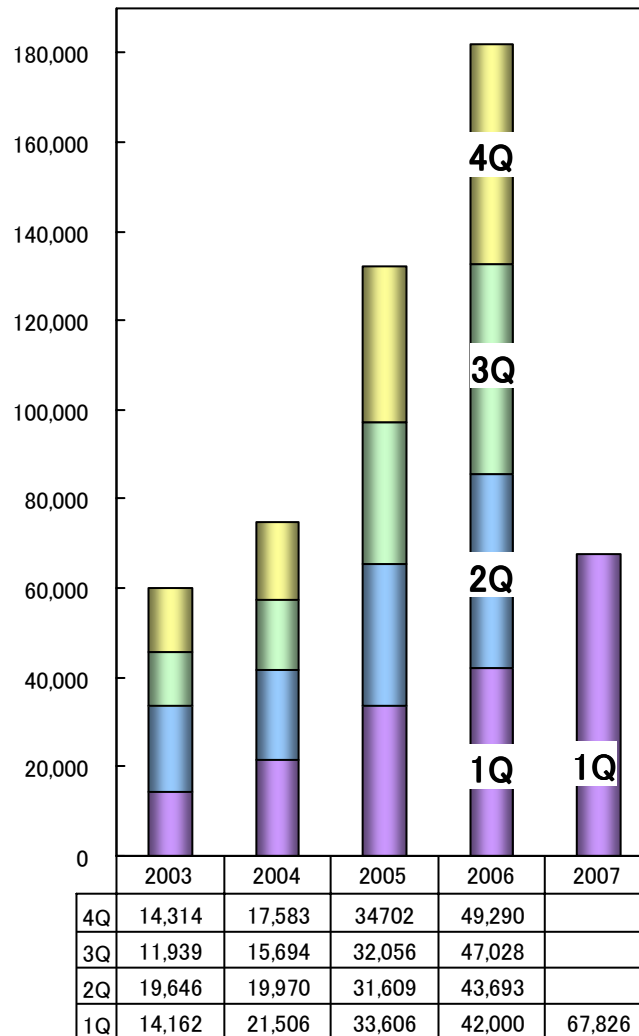
1. GMO Internet Group

2. Internet Infrastructure

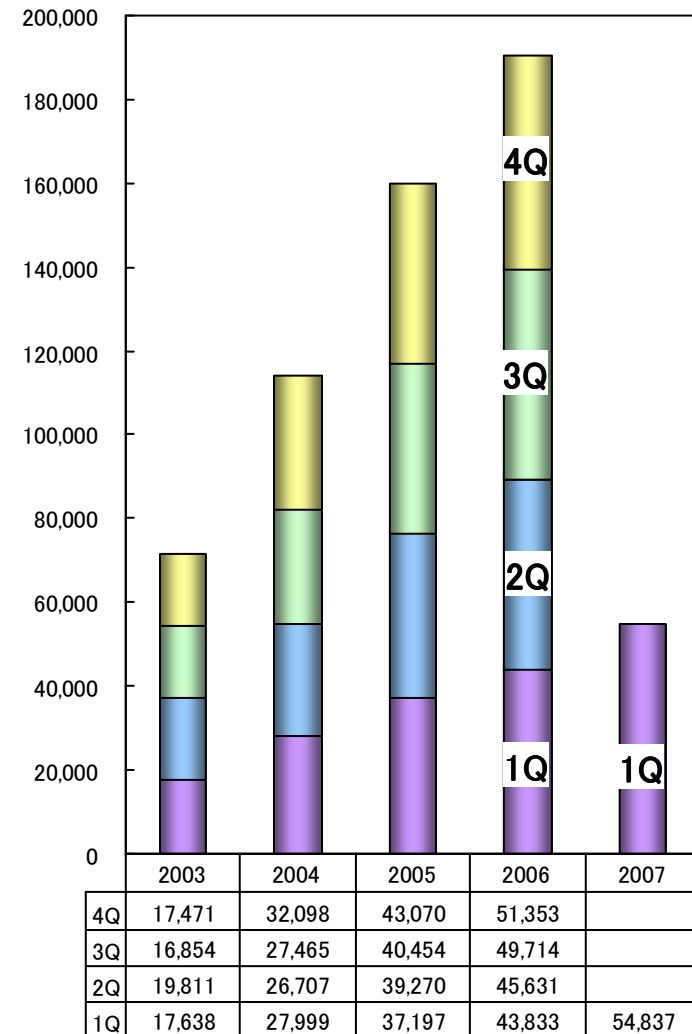
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### Renewals



### New Domain Registrations



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# Web Hosting

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2. Internet Infrastructure

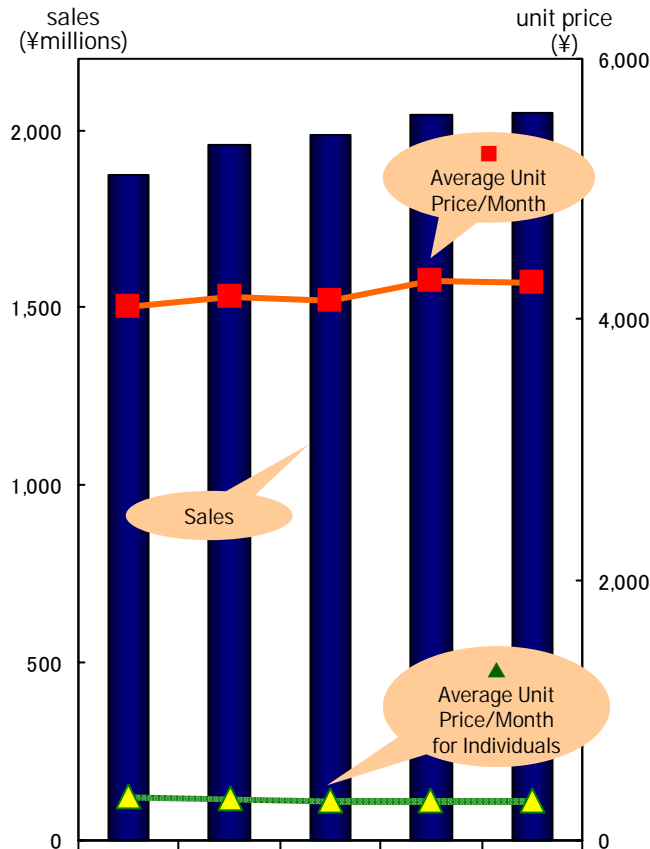
3. Internet Media

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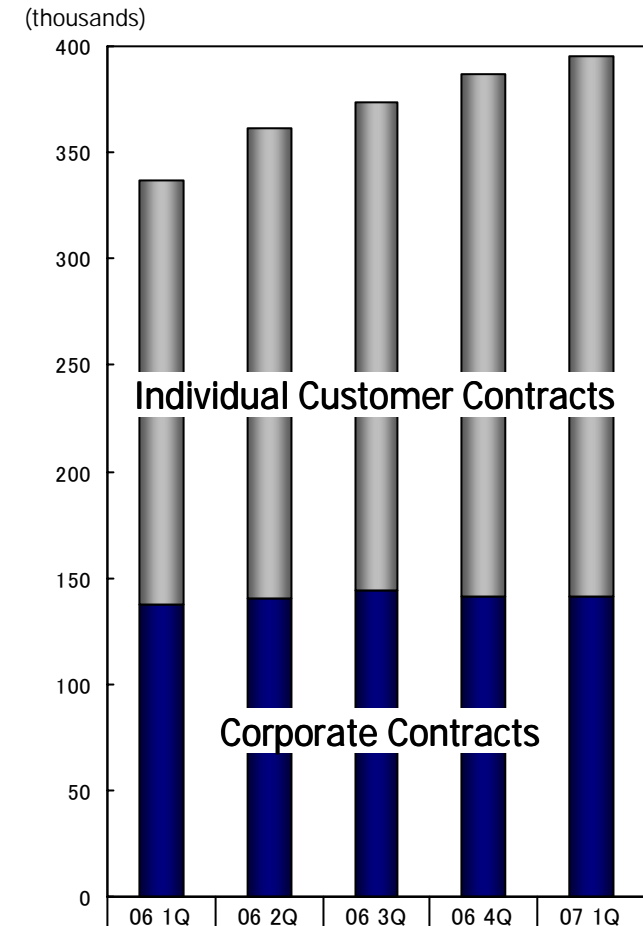


## Sales



Sales	1,872	1,956	1,984	2,043	2,049
Average Unit Price	4,100	4,176	4,149	4,295	4,283
Average Unit Price for Individuals	336	320	307	305	308

## No. of Contracts



Individual Contracts	200	221	230	246	254
Corporate Contracts	137	140	144	141	141

# EC Pack

1. GMO Internet Group

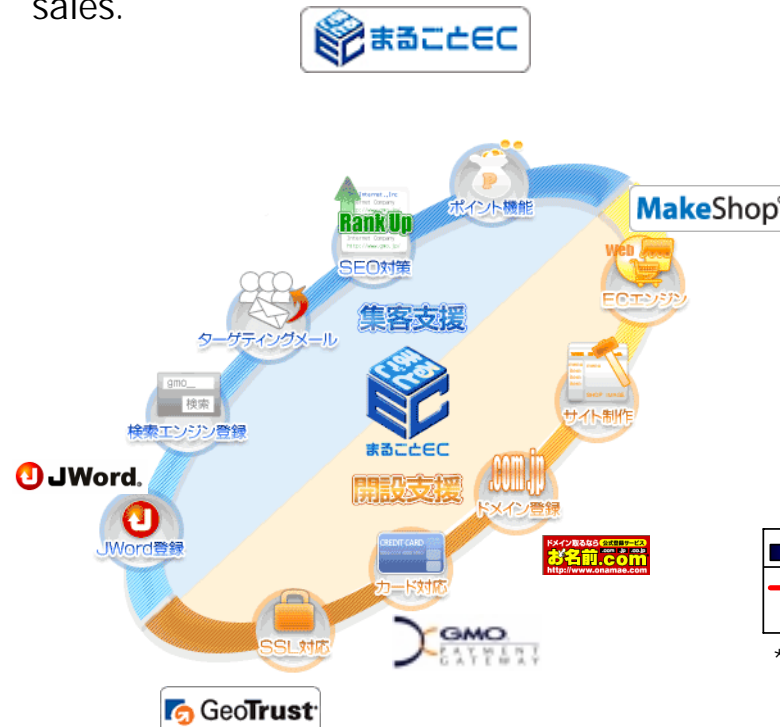
2. Internet Infrastructure

3. Internet Media

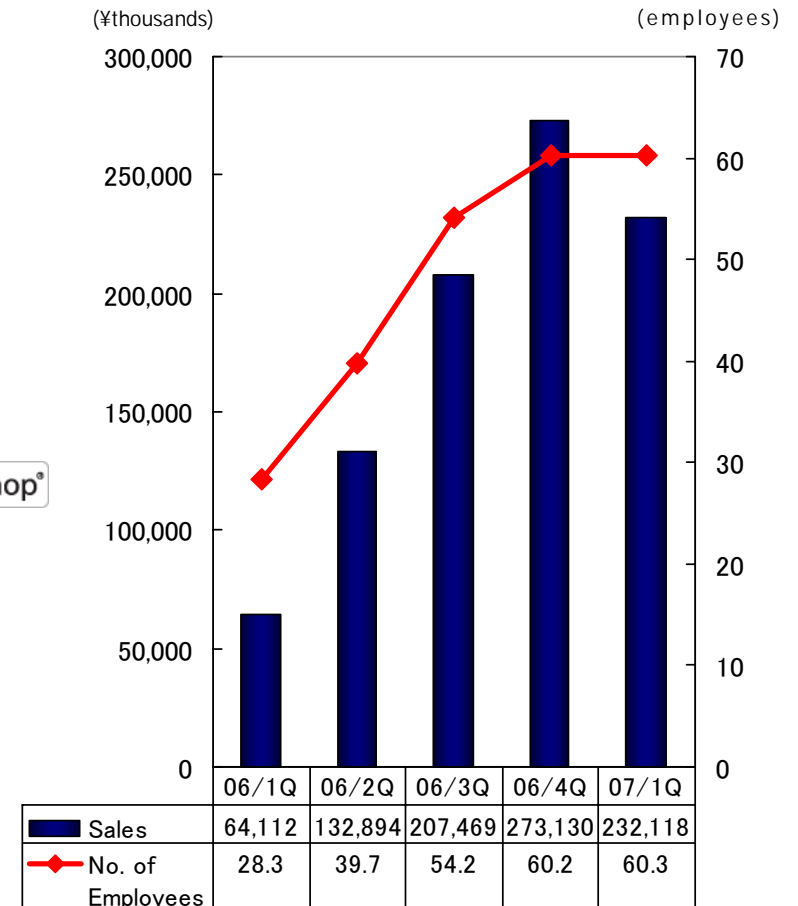
4. Internet Finance

## ■Marugoto EC Pack

The GMO group range of services encompasses everything from infrastructure to web content planning. Our expert staff are available for consultation. In March 2007 together with Sagawa Express Co. Ltd. we established Solution Partner Inc. further building Marugoto EC sales.



Marugoto EC Pack – Sales/Employees



\*Part time employees are calculated as 0.5.

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1. GMO Internet Group

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## 3. Internet Advertising Support (Media)

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# JWord (I)

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2. Internet Infrastructure

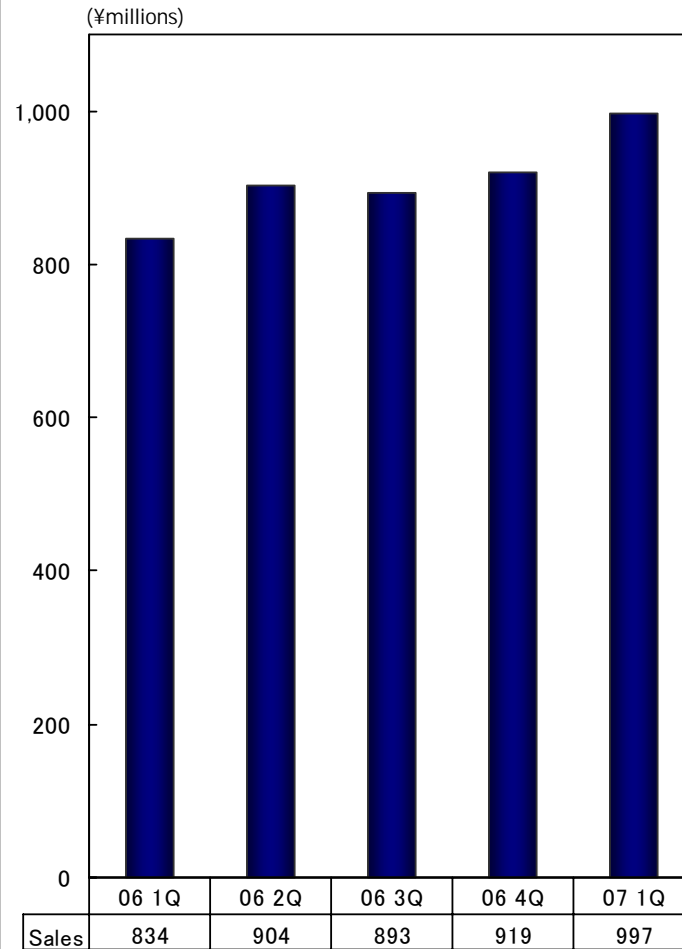
3. Internet Media

4. Internet Finance

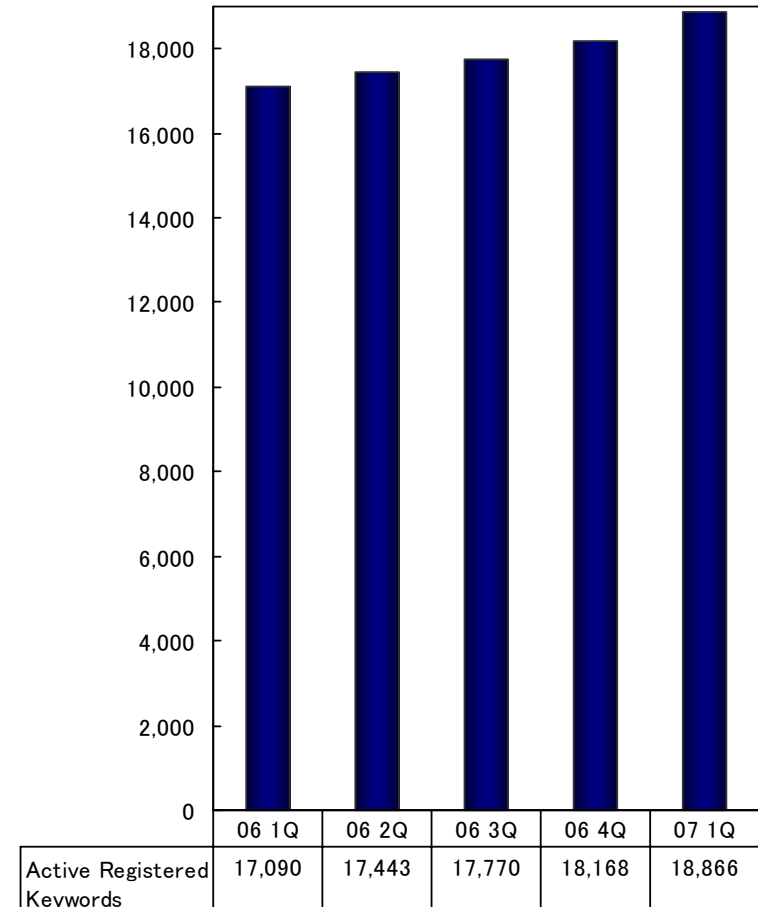
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## S a l e s



## Active Registered Keywords





# JWord (II)

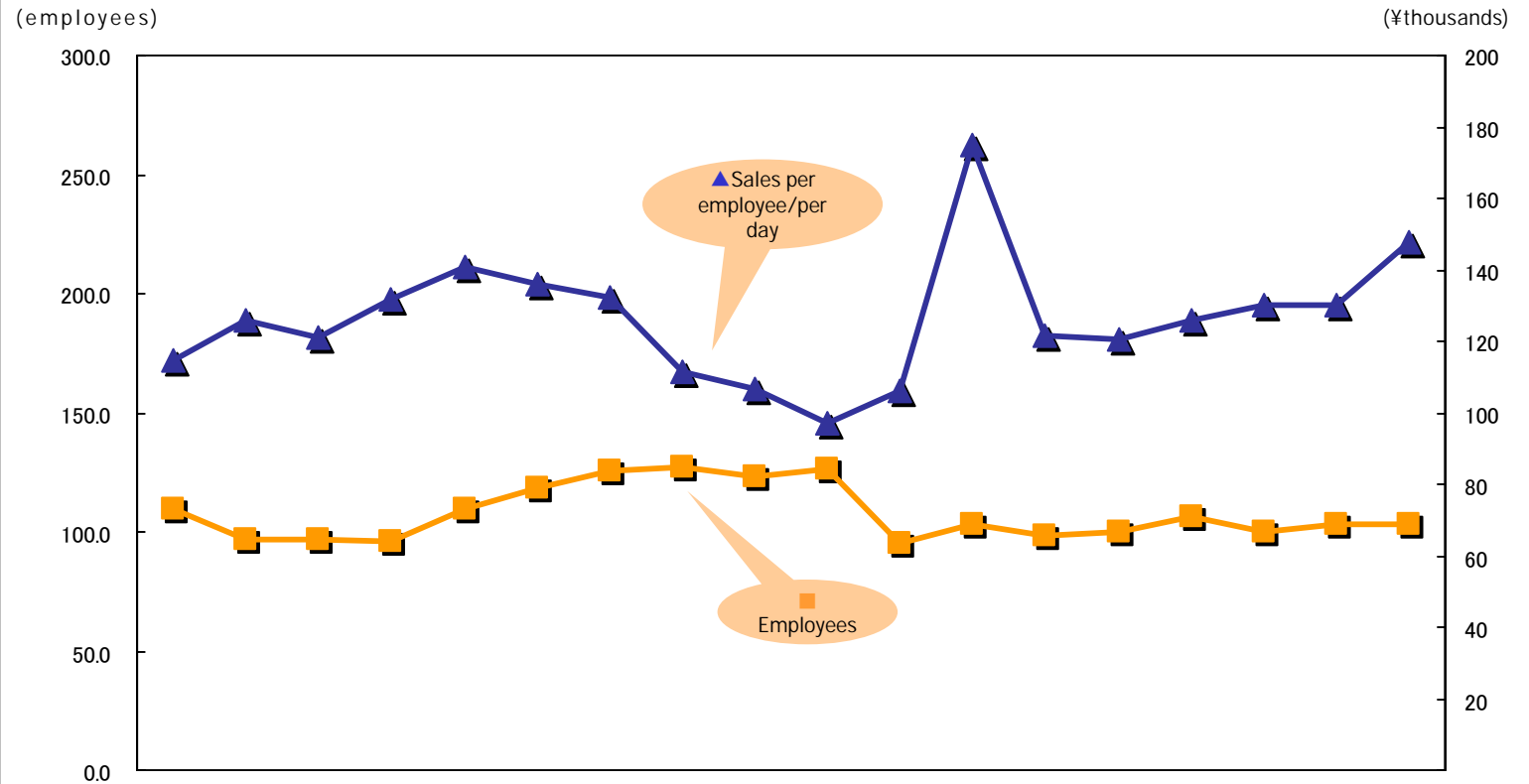
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## JWord Sales Staff and Sales per Employee in the GMO Internet Group



	'05/10	'05/11	'05/12	'06/01	'06/02	'06/03	'06/04	'06/05	'06/06	'06/07	'06/08	'06/09	'06/10	'06/11	'06/12	'07/01	'07/02	'07/03
Sales	115	126	121	132	141	136	132	112	107	97	106	175	122	120	126	130	130	148
Employees	110.0	97.0	97.0	96.0	109.4	118.4	125.6	127.2	123.0	126.6	95.0	102.9	98.8	99.8	106.2	100	103.6	103.3

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# JWord (III)

1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

## 4.72 Million JWord Search Users. Number 4 Ranking in Japan

### Search Activity on Major Portal Sites in March 2007

Yahoo! Search	Users: 30,851,000	Page Views: 2,344,066,000
Google Search	Users: 16,452,000	Page Views: 1,079,943,000
MSN Search	Users: 8,170,000	Page Views: 211,336,000
<b>JWord Search</b>	<b>Users: 4,726,000</b>	<b>Page Views: 53,107,000</b>
goo Web Search	Users: 3,454,000	Page Views: 66,167,000
BIGLOBE Search	Users: 2,946,000	Page Views: 131,057,000
@nifty Search	Users: 2,073,000	Page Views: 65,906,000
Infoseek Search	Users: 1,642,000	Page Views: 52,040,000
livedoor Search	Users: 1,468,000	Page Views: 19,244,000
OCN Search	Users: 801,000	Page Views: 61,687,000

Source: Nielsen/NetRatings Portal Contents View - Household Access

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# 4. Internet Finance

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# Loans and Credit Business – Key Factors (I)

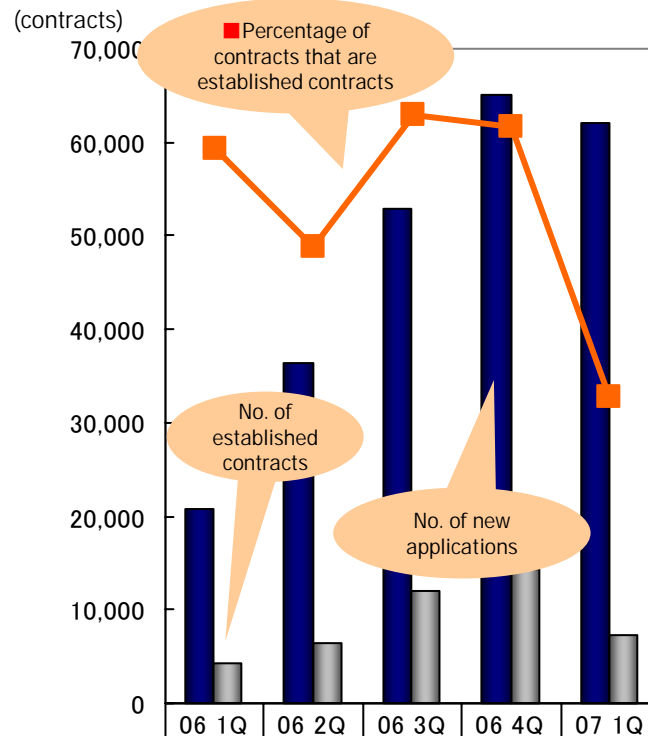
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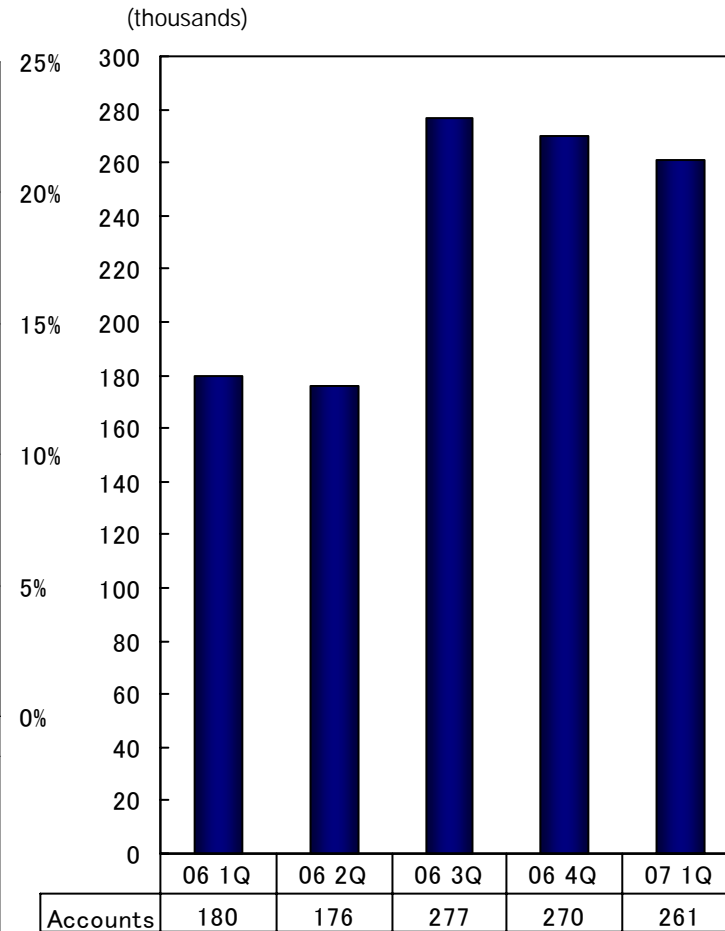
4. Internet Finance

### Number of New / Established Contracts and Ratio of Established Contracts



	06 1Q	06 2Q	06 3Q	06 4Q	07 1Q
No. of New Applications	20,743	36,447	52,925	65,091	62,110
No. of Established Contracts	4,384	6,325	11,892	14,320	7,237
Ratio of Established Contracts	21.20%	17.40%	22.50%	22.00%	11.70%

### No. of Accounts



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# Loans and Credit Business – Key Factors (II)

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2. Internet Infrastructure

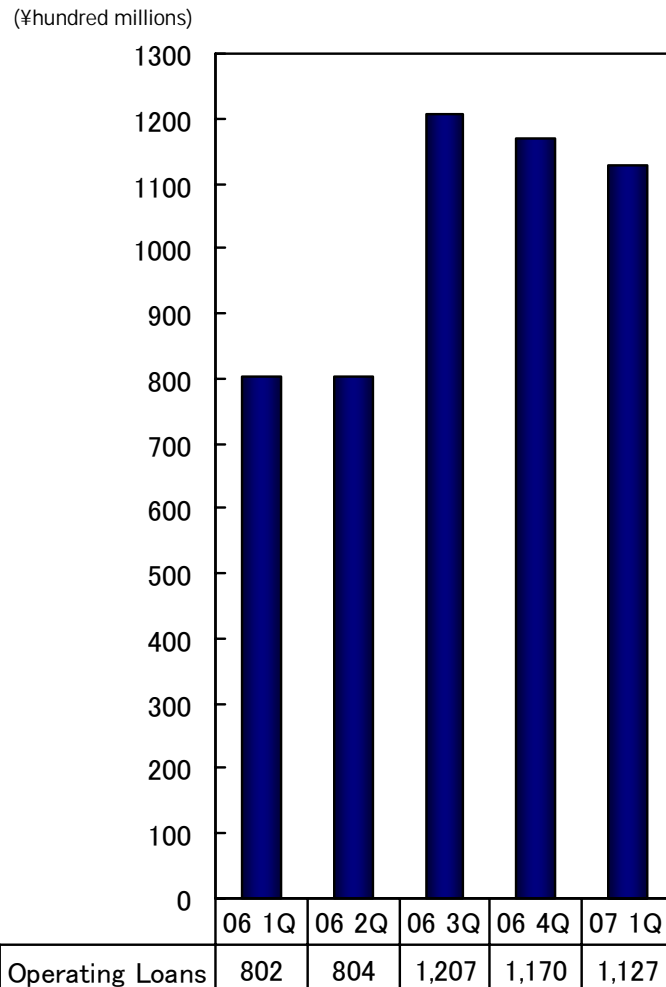
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### Operating Loans



### Allowance for Doubtful Debt and Credit Cost Spread

